

P-17-1-1 (Conf) - 25  
Approved For Release 2004/05/12 : CIA-RDP59-00224A000200510016-1

15 June 1954

The Honorable  
The Director of the Bureau  
of the Budget  
Bureau of the Budget  
Washington 25, D. C.

Attention: Mr. Spencer Platt

Dear Sir:

On 17 June Mr. Platt of your staff called me to inquire whether this Agency would have any objections to including a repeater of Public Law 53 of the 82nd Congress in H. R. 4723, a bill to simplify and consolidate the laws relating to the receipt of compensation from dual employments under the United States.

Public Law 53 of the 82nd Congress authorizes CIA to employ not more than 15 retired officers whose services were otherwise prohibited by law. This Agency has reviewed the provisions of H. R. 4723 and, if it is passed substantially in its present form, there will be no objection to including within its provisions the repeal of Public Law 53 of the 82nd Congress.

Sincerely yours,

Walter J. Pforzheimer  
Legislative Counsel

OGC:WLP/blc (25 June 54)

Orig. & 3 - Addressee

1 - Mr. James Hyde (Bureau of Budget)

1 - DD/A

1 - AD/Personnel

2 - Legislative Counsel ✓



ILLEGIB

*I think it is best  
should mention that*

*21 JUN 1954*

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H. R. 4723, A Bill to Consolidate Laws Relating to Dual Employment

1. Pursuant to your verbal request on 16 June 1954, this Office reviewed the subject bill to determine its effect upon the employment of Agency personnel. The bill was scrutinized with particular reference to your question on the desirability of repealing P. L. 53 - 82d Congress in the event H. R. 4723 is enacted.

2. The proposal provides in part that an individual, unless specifically exempted by law, will be prohibited from receiving the salaries of two Federal offices if the combined compensation exceeds the rate of \$6,250. If the combined rate were to exceed this amount, however, the employee would be entitled to elect the greater of the two compensations, although he could not receive both.

a. These provisions would replace the following sections of the Act of 31 July 1894 and the Economy Act of 30 June 1932 which currently apply:

(1) The Act of 31 July 1894 states that no person can be appointed or hold two or more offices when the salary of either exceeds the sum of \$2,500 (unless specifically authorized by law). Retired enlisted men and officers retired for combat disability or line of duty are exempt from this restriction by an amendment to the Act.

(2) Section 212 of the Economy Act of 30 June 1932 limits the combined rate of compensation which can be received in a civilian position and from retired pay for commissioned service to \$3,000 per annum. However, if the rate is in excess of \$3,000, the officer may elect the greater of the two rates of pay. Retired enlisted men and officers retired for combat disability are not subject to the requirements of this section.

b. Public Law 53 - 82d Congress authorizes the Agency to employ 15 officers retired for longevity without regard to the Act of 31 July 1894. However, officers hired by the Agency under the authority of P. L. 53 are required to forfeit either the civilian pay or the retirement income for the duration of their employment.

c. Since the subject bill would repeal the restrictive provisions of the Act of 1894, this Agency would apparently have no further requirement for its special authority in P. L. 53. Moreover, the authority in P. L. 53 is limited to the employment of 15 officers, whereas the proposed bill would permit CIA and other Federal agencies to hire an unlimited number of commissioned personnel, subject to the restriction on the amount of combined pay that such personnel could receive. As indicated above, the bill would increase the maximum combined amount that could be retained by retired officers employed by the Agency from \$3,000 to \$6,250.

3. In view of the Agency's requirements for the employment of retired officers, we favor the enactment of this or any other bill which would facilitate their procurement. It is the lay opinion of this Office that P. L. 53 would no longer have applicability if H. R. 4723 became law.

STAT

George E. Meloon  
Deputy Assistant Director  
for Personnel

Concur.

STAT

DDA

Have informed Mr. Spencer Platt  
of the Bureau of the Budget of our  
concurrence, and he has requested  
a letter to this effect. 24 June 54.

STAT

27 JUN 1954

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H. R. 4723, A Bill to Consolidate Laws Relating to Dual Employment

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George E. Maloon  
Deputy Assistant Director  
for Personnel

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~~SECRET~~  
(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

TO		INITIALS	DATE
1	Legislative Counsel 302 South Bldg.		
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FROM		INITIALS	DATE
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- APPROVAL       INFORMATION       SIGNATURE  
 ACTION       DIRECT REPLY       RETURN  
 COMMENT       PREPARATION OF REPLY       DISPATCH  
 CONCURRENCE       RECOMMENDATION       FILE

Remarks:

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